Manitoba

ANNUAL REPORT

1983 - 1984

Manitoba
Horse Racing
Commission

MANITOBA HORSE RACING COMMISSION

Allan Chisvin, Chairman
Morris Kaplan, Vice Chairman
Robert Topley, Supervisor of Racing

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Ian E. MacKenzie, Member
Irene E. Bauman, Member
Jack T. Philpot, Member

September 25, 1984.

The Honourable Sam Uskiw,
Minister of Business Development
and Tourism,
Room 227,
Legislative Building,
WINNIPEG, Manitoba.
R3C 0V8

Dear Sir:

I have the honour to transmit herewith the Eighteenth Annual Report of The Manitoba Horse Racing Commission covering the fiscal year ended March 31, 1984.

Respectfully submitted,

MANITOBA HORSE RACING COMMISSION,

Mr. Allan Chisvin,
Chairman.

AC/am

THE MANITOBA HORSE RACING COMMISSION

MEMBERS AND STAFF

for the year ended March 31, 1984.

COMMISSIONERS

Janice Y. Sylvestre	Chairperson	Winnipeg
Stanley J. Moore	Vice Chairman	Winnipeg
Irene E. Bauman	Member	Minto
Ian A. MacKenzie	Member	Portage la Prairie
Jack T. Philpot	Member	Winnipeg

COMMISSION STAFF

R. P. Topley	Supervisor of Racing
D. G. Meek, D.V.M.	Commission Veterinarian
R. McFarlane	Steward
C. Macdonald	Steward/Judge
D. Freeman	Steward/Judge (to October, 1983)
R. Gordon	Steward/Judge (to October, 1983)
G. Keays	Judge
G. MacArthur	Judge
D. Harms	Judge
N. Pliszka	Judge
W. Shaw	Judge
H. Penner	Office Supervisor
A. Mayer	Commission Secretary
J. Cowan	Licensing Clerk

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EIGHTEENTH ANNUAL REPORT

THE HORSE RACING COMMISSION

The Eighteenth Annual Report of The Horse Racing Commission reflects a change in the Commission's year end from December 31 to March 31. Accordingly, this Report covers a fifteen month period ending March 31, 1984.

Licensing of Assiniboia Downs

In July, 1983, a private sector limited partnership owned or controlled by one of the major secured creditors of the previous operator acquired Assiniboia Downs from the Receiver Manager.

Thoroughbred Racing

The 1983 Thoroughbred Meet saw a further decline in attendance and pari-mutuel handle from 1982 levels. The handle fell 13.01% while attendance dropped 9.3%. As a result of the declining handle, purses were cut three times during the 1983 Meet for a net reduction of 8.5% from 1982.

Manitoba's thoroughbred breeding industry has shown a slow but steady growth over the last several years. This is largely due to the current Thoroughbred Breeders Program financed by a Government rebate of .75% of the regular handle and 2.5% of the exotic handle.

Most of the program dollars are committed to stake races and overnight races for Manitoba breds and to purse supplements for Manitoba breds in open company. The program, which increases the value of purses to Manitoba bred horses, is expected to produce over time a better quality of Manitoba bred thoroughbred race horse.

While the 1983 Canadian Thoroughbred Horse Society, Manitoba Division ("C.T.H.S.") mixed sale produced prices similar to those of 1982, the C.T.H.S. considers such prices reasonably good by Manitoba and Alberta standards, especially considering the instability in the thoroughbred industry in Manitoba over the last two years.

The program, administered by the C.T.H.S. received approximately $595,000.00 in 1982, and approximately $560,000.00 in 1983, the decline being related to the decline in handle.

Standardbred Racing

The Standardbred Meet at Assiniboia Downs shows a slight decline. The number of race days increased from 97 to 108 as a result of the Commission approving a request by the operator of Assiniboia Downs to race on Tuesdays in the months of October and November. The daily attendance was down 11.08% and the daily handle dropped 5.07%, a nominal decline compared to that of the Thoroughbred Meet.

The 1983 Standardbred Meet marked the creation of a Standardbred Breeder Program similar to that operated by thoroughbred breeders. Developed by the Manitoba Standardbred Sire and Breeder's Association ("M.S.S.B.A.") with assistance from the Commission, the program is financed by a Government rebate of .75% of the regular handle and 2.5% of the exotic handle.

As with the thoroughbred breeders, most of the program dollars are committed to stake races and purse supplements for Manitoba breds.

The program administered by M.S.S.B.A. received approximately $361,410.00 in the fifteen month period, ending March 31, 1984.

Schedule "C" set forth the 1982 - 1983 comparative statistics of the Manitoba Great Western Harness Racing Circuit Inc. The number of days raced in the circuit increased by two, while the aggregate handle suffered a decline of 8.3%.

Quarterhorse Racing

The 1982 - 1983 comparative statistics for quarterhorse racing are set forth in Schedule "D".

Licenses and Rulings

Schedule "E" shows the number of occupational licenses, registration fees and fines issued and collected by the Commission for the fifteen month period ending March 31, 1984.

During the year the thoroughbred Stewards issued 93 rulings and collected $5,665.00 in fines. There were only three positive tests found in thoroughbred racing out of 2,330 samples taken.

The standardbred Judges issued a total of 343 rulings resulting in a total of $12,850.00 collected in fines. There were 9 positive tests out of 3,489 samples taken.

Province of Manitoba Revenues

Schedule "F" sets forth the racing revenues and direct costs of the Province of Manitoba in connection with the horse racing industry. As in 1982, revenue decreases result mainly from a decrease in the pari-mutuel handle.

Commission Staff

Commission staff was certified by M.G.E.A. in 1982 and a first contract was entered into in September of 1983.

While the Commission expects further increases in staffing costs will be consistent with increases in the labour market generally, the costs associated with negotiating the first contract will not be repeated.

Rules of Racing

Further, as reported in the 1982 Annual Report the Commission undertook to revise the existing Thoroughbred Rules of Racing, both to accommodate certain revisions recommended by the Stewards and to include the addition of special rules relating to appeals. The draft amendments to the Rules of Thoroughbred Racing were circulated among the various industry groups for their input and were ultimately enacted and printed in August of 1983.

The Commission also prepared a set of Standardbred Rules of Racing for the Province of Manitoba in 1983. Since the introduction of the extended Standardbred Meet to Assiniboia Downs in 1982, the Commission had been operating without its own set of rules relating to standardbred racing. The existing Canadian Trotting Association Rules of Standardbred Racing had been used in Manitoba proved to be inappropriate in that they were designed as the rules of a private association and accordingly were not particularly suitable for a public commission. The first set of Standardbred Rules of Racing for the Province of Manitoba were enacted in July of 1983 and were used for the 1983 Fall Meet at Assiniboia Downs.

Appeals and Meetings

The Commission heard 17 appeals in 1983, an increase of 8 over 1982. There were 22 formal Commission meetings held during the year. In addition, various Sub-Committees of the Commission met on numerous occasions to discuss matters such as inter-provincial inter-track wagering, the licensing regulations and to hold meetings with the various industry groups.

The Commission was represented at the Annual Meetings of both the National Racing Commission and governing bodies as well as the National Association of State Racing Commissions.

Financial Statements

The accounts of the Commission have been audited by the office of the Provincial Auditor and the Financial Statements are attached to this Annual Report.

Schedule A

Thoroughbred Racing - Assiniboia Downs

	1983	1982	Percentage Increase (Decrease)
Pari-Mutuel Handle	35,230,222	40,496,080	(13.01)
Race Days	109	108	.85
Average Daily Handle	322,761	374,964	(14.00)
Attendance	390,670	430,821	(9.31)
Average Daily Attendance	3,585	3,989	(11.3)
Per Capita Wagering	90	94	(4.4)
Horsemens Purses	3,561,464	3,864,124	(8.5)
Number of Races	1,081	1,003	7.7
Per Race Purse Average	3,498	3,853	(10.1)
Federal Takeout	281,447	243,159	15.7
Provincial Takeout	3,198,975	3,621,508	(13.2)

Provincial Support Program

Purse Support (Overnight)	1,264,025	1,417,362	(12.1)
Supplement Awards (423,102)			
Breeders Awards (71,566)	494,668	411,223	20.3
Stallion Awards	33,638	38,000	(12.9)
C.T.H.S. Administration	31,430	46,699	(32.7)

Drug Control Statistics (Thoroughbred & Quarterhorse)

Number of Tracks	3
Number of Days	113
Number of Samples	2,330
Number of Positive Detections	3

Schedule B

Standardbred Racing - Assiniboia Downs

January 1, 1983 - March 31, 1984.

	1983	1982	Percentage + (-)
Pari-Mutuel Handle	23,131,143	14,725,102	36.4
Race Days	159	97	61.0
Average Daily Handle	145,479	151,805	- 4.3
Attendance	218,181	134,153	38.6
Average Daily Attendance	1,372	1,383	- .8
Per Capita Wagering	106	110	- 3.7
Total Purses	1,714,574	888,278	48.2
Number of Races	1,594	961	39.8
Per Race Purse Average	1,076	924	14.2
Federal Takeout	185,049	88,350	52.3
Provincial Takeout	1,908,319	1,221,446	36.0
Provincial Support Program	982,461	724,258	35.0
Breeders Program	47,000	n/a	n/a

Drug Control Statistics (Assiniboia Downs and Rural Circuit)

Number of Tracks	13	n/a	n/a
Number of Days	159	n/a	n/a
Number of Samples	3,489	n/a	n/a
Number of Positive Detections	9	n/a	n/a

Schedule C

Standardbred Racing - Rural Circuit

Comparative Wagering Statistics

	Racing Days		Amount Wagered		
	1983	1982	1983	1982	Percentage + (-)
Carberry	2	2	$ 75,198	$ 59,744	20.6
Carman	3	3	80,639	118,014	-32.0
Dauphin	4	4	131,894	144,354	- 8.7
Deloraine	2	2	73,220	75,094	- 2.5
Glenboro	2	2	64,700	83,322	-32.4
Holland	2	2	78,294	77,212	1.4
Killarney	3	4	131,182	147,910	-11.3
Minnedosa	2	-	57,368	-	-
Pilot Mound	3	3	35,450	73,662	-51.9
Portage la Prairie	4	5	130,966	151,904	-13.7
Russell	2	2	18,822	38,376	-51.0
Swan River	-	-	-	-	-
Virden	4	2	63,314	65,604	- 3.5
Wawanesa	2	2	74,680	71,978	3.7
TOTALS	35	33	$1,015,727	$1,107,174	- 8.3

Other Comparative Statistics

1982 - 1983

	1983	1982	Percentage + (-)
Attendance	$ 53,650	$ 57,019	- 6.0
Average Daily Attendance	1,533	1,728	-11.3
Horsemen's Purses	400,118	326,130	22.7
Per Race Purse Average	1,295	1,042	24.2
Provincial Support Programs			
Purse Supplements	$151,000	$146,209	3.2
Breeders Awards	63,400	61,517	3.0
Sires Stakes	20,000	20,000	-
Capital Grants	32,994	28,804	14.5
TOTALS	$267,394	$256,530	4.2
Per Capita Wagering	18.93	19.42	- 2.6
Federal Takeout	8,126	6,644	22.3

Schedule D

Quarterhorse Racing

	1983	1982	Percentage + (-)
Pari-Mutuel Handle			
Assiniboia Downs	$ 48,634	$33,790	$ 14,844
Rossburn	6,520	12,062	- 5,542
Racing Days			
Assiniboia Downs	4	2	2
Rossburn	2	2	-
Horsemen's Purse	18,150	19,761	- 1,611
Per Race Purse Average	908	1,162	- 254
Provincial Support Program			
Purse Supplements	8,440	3,700	4,740
Capital Grants	12,381	6,752	5,629
Breeders Incentives	2,875	1,500	1,375
Sires Stakes	3,050	2,000	1,050
Admin. Support	-	2,500	- 2,500
Rebate & Subsidy	652	1,206	- 554
TOTALS	$27,398	$17,658	$9,740

Schedule E

Licenses, Registration Fees and Fines

For year ending March 31, 1984.

Licenses	Thoroughbred	Standardbred
Owners	943	619
Owner/Trainer	131	108
Owner/Driver	n/a	23
Owner/Groom	17	22
Trainers	43	15
Assistant Trainer	21	3
Jockeys	34	n/a
Apprentice Jockeys	6	n/a
Drivers	n/a	15
Driver/Trainer	17	n/a
Jockey's Agent	14	n/a
Veterinarian	4	2
Vet. Assistant	1	n/a
Officials	6	12
Tradesmen	39	40
Backstretch	449	140
Association Employees	247	343
Sponsored Person	937	568
Owner/Trainer/Driver	n/a	133
TOTAL LICENSES	2,892	2,064
TOTAL FEES & LICENSES	$82,470	$62,630
Registration & Fines		
Partnerships	279	49
Stable Names	194	1
Colors	46	n/a
Leases	8	6
Authorized Agents	252	55
Open Claims	15	n/a
TOTAL	794	111
FINES	5,665	12,850
TOTAL QUARTERHORSE (Fees & Licenses)	355	
TOTAL LICENSE FEES & FINES:		$163,970

Schedule F

Province of Manitoba

Racing Revenues and Direct Costs

For year ending March 31, 1984.

	1983 (15 months)	1982	Percentage + (-)
Revenue			
Pari-Mutuel Tax			
Thoroughbred	$ 3,235,342	$ 3,621,508	$ - 386,166
Standardbred			
Rural	78,315	83,038	- 4,723
Assiniboia Downs	2,152,267	1,221,446	930,821
Quarterhorse	489	3,452	- 2,963
TOTALS	5,466,413	4,929,444	536,969
Less:			
Collection Commission	53,876	48,454	5,422
	$ 5,412,537	$ 4,880,990	$ 531,547
Direct Costs			
Industry Development Programs			
Purse Supports			
Thoroughbred	$ 1,264,025	$ 1,113,642	$ 150,383
Standardbred			
Rural	151,000	146,209	4,791
Assiniboia Downs	982,461	742,258	240,203
Quarterhorse	8,440	3,700	4,740
Breeders Awards			
Thoroughbred	528,296	449,223	79,073
Standardbred	110,400	61,517	48,883
Quarterhorse	2,875	1,500	1,375
Sires' Stakes			
Standardbred	130,000	20,000	110,000
Quarterhorse	3,050	2,000	1,050
Capital Grants			
Standardbred	32,994	28,804	4,190
Quarterhorse	12,381	6,752	5,629
Refund of Province's share of Pari-Mutuel Tax plus subsidies	104,420	111,923	- 7,503
Administration			
Thoroughbred	31,430	46,699	- 15,269
Quarterhorse	n/a	2,500	- 2,500
Emergency Fund	17,201	275,000	- 257,799
H.B.P.A. Purse Overpayment	n/a	100,000	- 100,000
TOTALS	$ 3,378,973	$ 3,111,727	$ 267,246
Administration Costs			
Manitoba Horse Racing Comm.	516,397	326,601	189,796
TOTAL COSTS	$ 3,895,370	$ 3,438,328	$ 457,042
Net Revenue	$ 1,517,167	$ 1,442,662	$ 74,505

MANITOBA

PROVINCE OF MANITOBA
PROVINCIAL AUDITOR

THE HORSE RACING COMMISSION

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A, B and C, of The Horse Racing Commission for the 15 month period ended March 31, 1984. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, the financial statements present fairly the financial position of the Commission as at March 31, 1984 and the results of its operations for the 15 month period then ended. The financial statements were prepared in accordance with the accounting policies stated in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

W. K. Ziprick, C.A.,
Provincial Auditor.

June 6, 1984,
Winnipeg, Manitoba.

Exhibit A

THE HORSE RACING COMMISSION

Balance Sheet
as at March 31, 1984
(with December 31, 1982 figures for comparison)

	March 31, 1984	December 31, 1982
ASSETS		
Current assets		
Cash on hand and in bank	$ 41,307	$ 32,432
Accounts receivable - trade	4,500	250
Accounts receivable arising from 1982 temporary track closure (Note 2)	151,388	277,589
	$ 197,195	$ 310,271
LIABILITIES		
Current liabilities		
Accounts payable - trade	$ 23,553	$ 4,637
Accounts payable relating to 1982 temporary track closure	-	247,384
Undistributed grants, Exhibit C	19,203	20,101
Deferred revenue	4,940	5,275
	47,696	277,397
Surplus, Exhibit B	149,499	32,874
	$ 197,195	$ 310,271

Exhibit B

THE HORSE RACING COMMISSION

Statement of Revenue and Expenditure and Surplus
for the 15 month period ended March 31, 1984
(with December 31, 1982 figures for comparison)

	15 months 1984	12 months 1982
Revenue:		
Grant from the Government of the Province of Manitoba	$ 633,022	$ 358,333
Fees, licenses and fines (Note 3)	163,970	94,646
	796,992	452,979
Expenditure:		
Advertising	9,277	4,748
Building renovations	7,877	3,925
Commissioners' honoraria	21,598	26,750
Employee benefits	15,223	6,127
Equipment and office furniture	10,879	6,043
Equipment rentals	12,287	2,325
Health and post secondary education tax levy	5,661	1,982
Hearings and appeals	11,336	-
Identification supplies	15,801	11,990
Impact assessment study	21,674	-
Memberships and dues	6,008	3,775
Office	28,504	10,078
Professional fees	72,878	64,233
Research grant	5,000	5,000
Salaries:		
Administration	103,420	72,896
Security	23,779	15,000
Stewards and judges	181,589	101,391
Veterinarian services	70,325	51,246
Sundry	954	1,718
Telephone	8,165	2,388
Training costs - salary and travel	19,891	-
Travel	28,241	29,632
	680,367	421,247
Revenue over expenditure	116,625	31,732
Surplus at beginning of period	32,874	1,142
Surplus at end of period, Exhibit A	$ 149,499	$ 32,874

Exhibit C

THE HORSE RACING COMMISSION

Statement of Government Grant Receipts and Disbursements
for the 15 month period ended March 31, 1984
(with December 31, 1982 figures for comparison)

	15 months 1984	12 months 1982
Grant received from the Government of the Province of Manitoba	$ 3,273,655	$ 3,019,905
Grants:		
Breeders' incentives:		
Thoroughbred	528,296	449,223
Standardbred	110,400	61,517
Quarter horse	2,875	1,500
Capital grants:		
Standardbred	32,994	28,804
Quarter horse	12,381	6,752
Overnight purse supplements:		
Thoroughbred	1,264,025	1,113,642
Standardbred	1,133,461	888,467
Quarter horse	8,440	3,700
Sire stakes program:		
Standardbred	130,000	20,000
Quarter horse	3,050	2,000
Emergency Fund:		
H.B.P.A.	17,201	175,000
C.T.H.S.	-	100,000
Purse overpayment - H.B.P.A.	-	100,000
Administrative grants:		
C.T.H.S.	31,430	46,699
M.Q.H.R.A.	-	2,000
Rossburn Agricultural Society	-	500
	3,274,553	2,999,804
Excess (deficiency) of receipts over disbursements	(898)	20,101
Undistributed grants - beginning of period	20,101	-
Undistributed grants - end of period, Exhibit A	$ 19,203	$ 20,101

THE HORSE RACING COMMISSION

Notes to the Financial Statements
for the 15 month period ended March 31, 1984

1. Significant accounting policies

(a) An accrual basis of accounting is followed except for:

i) Capitalization and depreciation

The costs of building renovations, purchases of equipment and office furniture, are charged directly to operations, accordingly depreciation is not provided for in the accounts.

ii) Pension liability and expense

In accordance with the provisions of the Manitoba Civil Service Superannuation Act, the Commission contributes 50% of the pension disbursement made to retired employees. Such payments are to be charged to operations as incurred and provision is not made in the accounts to fund current or past service obligations to the Superannuation fund. On the basis of an actuarial report, the unfunded provision for the Commission's employees amounted to $17,085 as at December 31, 1983.

(b) The operating expenses of the Commission in excess of revenue derived from its regulatory activities are funded through an appropriation of the Government of the Province of Manitoba. Consequently, the Commission will not experience an operating deficit. Administrative grant monies drawn down in excess of actual expenses are retained by the Commission as "surplus" however such surplus funds reduce the administrative grant requirement for the following year.

(c) The Commission acts as a conduit for support grants between the Government of the Province of Manitoba and the horse racing industry. The accounting for these grant funds is reflected separately (Exhibit C) from the general administrative activities of the Commission.

2. Accounts receivable arising from 1982 temporary track closure

An agreement dated July 21, 1982 between the Horsemen's Benevolent and Protective Association (H.B.P.A.), the Canadian Thoroughbred Horse Society (C.T.H.S.) and The Horse Racing Commission provided for the payment of amounts owing to individual horsemen as a result of the default by Assiniboia Downs 1981 Ltd.

In addition, a letter of understanding dated August 7, 1982, from the H.B.P.A. provided that the H.B.P.A. would reimburse the Commission for the 1982 purse overpayments incurred by Winnipeg Racing Ltd., which were paid by the Commission.

THE HORSE RACING COMMISSION

Notes to the Financial Statements
for the 15 month period ended March 31, 1984

2. Accounts receivable arising from 1982 temporary track closure (continued)

On the basis of the above agreements, the accounts receivable consist of the following:

Charged during 1982:		
re: July 21, 1982 agreement		$ 106,985
re: August 7, 1982 letter of understanding		170,604
Accounts receivable, as at December 31, 1982		277,589
Payments received during the 15 month period ended March 31, 1984	$ 109,000	
1982 H.B.P.A. undistributed grant funds applied	17,201	126,201
Accounts receivable as at March 31, 1984		$ 151,388

The July 21, 1982 agreement further provides that surplus funds of Winnipeg Racing Ltd. will reduce the amount owing to the Commission. The audited financial statements of Winnipeg Racing Ltd. as at December 31, 1982 reflects an operating surplus of $13,957 but the operations have not been finalized as yet and, therefore, the surplus has not been transferred.

3. Fees, licences and fines

	1984	1982
Thoroughbred		
Fees and licences	$ 82,470	$ 55,652
Fines	5,665	4,855
	88,135	60,507
Quarterhorse fees and licences	355	549
Standardbred		
Fees and licences	62,630	29,735
Fines	12,850	3,855
	75,480	33,590
	$ 163,970	$ 94,646

THE HORSE RACING COMMISSION

Notes to the Financial Statements
for the 15 month period ended March 31, 1984

4. Contingent Liability

The Commission is contingently liable in respect to a pending legal claim in the amount of $80,800 plus interest and costs. Although the Commission is not the defendant in the case, it has agreed to indemnify the defendant against loss in this matter as the claim arises from his carrying out of duties as a member of the Commission. The Commission is of the opinion that the better view is that the claim will be dismissed.

5. Comparative figures

Comparative figures for the year ended December 31, 1982 have been restated where necessary to conform with the presentation for the 15 month period ended March 31, 1984. However, because of the change in the fiscal year, the figures are not entirely comparable.

6. Change in year end

The Commission adopted a March 31st year end to conform to that of the Government of the Province of Manitoba.